

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



September 30, 2003

Agenda ID #2824
Ratesetting

TO: PARTIES OF RECORD IN INVESTIGATION 00-05-020

This is the draft decision of Administrative Law Judge (ALJ) Patrick. It will not appear on the Commission's agenda for at least 30 days after the date it is mailed. The Commission may act then, or it may postpone action until later.

When the Commission acts on the draft decision, it may adopt all or part of it as written, amend or modify it, or set it aside and prepare its own decision. Only when the Commission acts does the decision become binding on the parties.

Parties to the proceeding may file comments on the draft decision as provided in Article 19 of the Commission's "Rules of Practice and Procedure." These rules are accessible on the Commission's Website at <http://www.cpuc.ca.gov>. Pursuant to Rule 77.3 opening comments shall not exceed 15 pages. Finally, comments must be served separately on the ALJ and the Assigned Commissioner, and for that purpose I suggest hand delivery, overnight mail, or other expeditious method of service.

/s/ ANGELA K. MINKIN
Angela K. Minkin, Chief
Administrative Law Judge

ANG:hkr

Attachment

Decision **DRAFT DECISION OF ALJ PATRICK** (Mailed 9/30/2003)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's Own Motion
Into the Status, Rates, Rules, Operations, Service,
Facilities, Contracts, and Practices of the Union
Pacific Railroad Company in the Supply,
Distribution, and Sale of Water by the Keene
Water System to the Communities of Keene and
Woodford in Kern County.

Investigation 00-05-020
(Filed May 18, 2000)

(For Appearances, see Decision (D.) 02-04-017.)

OPINION CLOSING PROCEEDING

Summary

Following (1) the issuance of D.02-04-017 declaring the Keene Water System to be a public utility under Pub. Util. Code § 2701; (2) the issuance of the Water Division Report dated April 17, 2003; and, (3) Union Pacific Railroad Company's (UP) response that it will be filing an application for a rate increase, there is no further need for this Investigation to remain open. Accordingly, this proceeding is closed.

Discussion

Following issuance of the Water Division Report concluding that the current rates are not compensatory, the assigned administrative law judge (ALJ) issued a ruling on June 12, 2003, requesting UP to inform the Commission whether it intended to move forward with a rate increase application. On

July 23, 2003, UP responded that it intends to do so. Although invited, no comments were received from any of the other parties regarding UP's proposal.

Any request for a rate increase for the Keene Water System will be processed in accordance with our standard procedure for general rate cases for water utilities. Since Water Division has already issued its report on the Keene Water System, UP is not required to file a Notice of Intent. However, it should comply with all Section 454 notice requirements. There is no further need for this Investigation to remain open and this proceeding should be closed.

Comments on Draft Decision

The draft decision of the ALJ in this matter was mailed to the parties in accordance with Pub. Util. Code § 311(g)(1) and Rule 77.7 of the Rules of Practice and Procedure. Comments were filed on _____, and reply comments were filed on _____.

Assignment of Proceeding

Carl Wood is the Assigned Commissioner and Bertram D. Patrick is the assigned ALJ in this proceeding.

Findings of Fact

1. The Commission, in D.02-04-017, declared the Keene Water System to be a public utility.
2. The Water Division Report dated April 17, 2003 concludes that current rates are not compensatory.

Conclusions of Law

1. UP should be granted leave to file a general rate increase application for its Keene Water System.

2. Since an application for a general rate increase would be handled in accordance with the standard procedures for general rate cases for water utilities, there is no need for this Investigation to remain open.

3. Since Water Division has issued its report on the Keene Water System, UP should not be required to file a Notice of Intent.

O R D E R

IT IS ORDERED that:

1. Union Pacific Railroad Company (UP) shall file a general rate case application with regard to its Keene Water System. UP is not required to file a Notice of Intent.

2. This proceeding is closed.

This order is effective today.

Dated _____, at San Francisco, California.